

Oregon Housing and Community Services

2023-25 Agency Request Budget: Incorporating Feedback



In early May, OHCS released its [Draft 2023 Legislative Agenda online](#) through a memo and webinars focused on the agency's Affordable Rental Housing, Homeownership, and Housing Stabilization divisions. Following the webinars, the agency sought stakeholder feedback through two surveys, one focused on the entire draft legislative agenda and one focused on the Training and Technical Assistance (T&TA) investment, as well as three listening sessions specific to T&TA.

Thanks to partner input, OHCS identified themes that include the need for flexible funding, support with capacity building, challenges due to rising costs of development, support for rural communities, and more. The agency created documents summarizing feedback related to the [full agenda](#) and [T&TA \(Spanish language summary\)](#). This summary document highlights how feedback was incorporated into specific areas of the [2023-25 Agency Request Budget](#).

Central Services: Training, Technical Assistance, & Access (POP 103)

The agency received significant input around what support partners need to increase their capacity and organizational health, ultimately ensuring all of us can equitably serve the diverse communities in Oregon. Nearly all suggestions received informed the investment request, including:

- Requesting the most flexible funds source available (General Funds)
- Committing a portion of funds to address agency barrier assessment, research, analysis, and design to inform OHCS capacity-building efforts.
- Directing an allocation of grants to the nine federally recognized Tribes to honor Tribal self-determination and to support maximum participation.
- Dedicating funds to support building the organizational infrastructure and capacity of organizations led by Black, Indigenous, Latino/a/x, Asian American, Pacific Islander people, and/or rural and very rural serving organizations.

The feedback will guide ongoing engagement with partners and ensure OHCS is accountable for utilizing these funds. The ideas and comments around engagement and communication benefit the agency as engagement strategies are built.

Affordable Rental Housing

Oregon's ongoing affordable housing crisis not only demands continued investments to develop more affordable homes across the state but that we prioritize the preservation of our existing housing stock. Feedback provided to the Affordable Rental Housing Division was aligned with partner needs, agency plans, and Oregon's Statewide Housing Plan. It was also consistent with previous feedback provided to the Division and reaffirmed OHCS investment priorities.

Affordable Rental Housing

Addressing Homelessness with Permanent Supportive Housing (POP 104)

OHCS created the Supportive Housing Institute three years ago to address homelessness through Permanent Supportive Housing. Owners, property management, service providers, and people with lived experience form teams that receive project-specific technical assistance and training to launch and operate Permanent Supportive Housing (PSH) successfully. OHCS requests feedback from partners on ways to improve the process and provide for better-informed projects. During the most recent feedback session, partners shared the importance of including people with lived experience in program design. Including people with lived experience is now a deliberate component of our Supportive Housing Institute, and the POP narrative was amended to reflect this. We also heard that the rent assistance and supportive services resources must shift and rise to meet inflationary needs. Program staff are developing a long-term strategy to ensure our resource attribution adequately supports the long-term viability of PSH investments. One place identified as a risk is challenges with project insurance; in response, OHCS has established a goal of standing up a PSH Risk Mitigation Pool.

Preserving Oregon's Affordable Housing Stock (POP 107)

While producing more affordable rental homes to meet demand across the state is critical, maintaining the existing affordable rental housing supply is a core component of ensuring that we can continue to grow the supply of statewide affordable rental housing. More than 2,400 affordable homes have affordability provisions that will expire before the end of the 2023-25 biennium. A portion of our current housing supply is facing a critical need for repairs to ensure long-term viability and ensure tenants continue to have healthy and safe places to live. In addition, Oregon's manufactured home parks require preservation efforts to ensure lot rents remain affordable. The resources requested will allow OHCS to put forward focused investments that will maximize impact on Oregonians within a framework that prioritizes equity and racial justice, provides service to rural communities, builds partnerships with local jurisdictions, and expands capacity building.

Acquiring Land for Affordable Homes (POP 111)

In order to ensure the ability to develop new affordable housing, this strategic resource allows communities to compete for a property before it is sold for non-housing purposes in areas conducive to residency. Purchasing land as it becomes available also allows project teams to refine and finalize development strategies encouraging community engagement and deliberate planning. Adding these critical resources to this existing Land Acquisition Program will ensure ongoing resource availability and, therefore, the ability for land to be secured with this patient capital that allows development teams time to plan and secure resources. Feedback received centered on wanting to ensure that the program allowed for timely market acquisitions where there isn't time to participate in a competitive funding process. The OHCS Land Acquisition Program is established with a deliberate lens on expediting review to compete in the land market; the program is open for applications whenever sufficient resources are available. OHCS will continue to evaluate this fund's performance to ensure it meets this need.

Affordable Rental Housing

CARE for Children in Affordable Housing (POP 114)

This request for resources is to expand the initial investment in the Co-location of Affordable Rental Housing and Early Care & Education (CARE). Based on work done in concert with the state's Early Learning Division over the 2021-2023 biennium, we recognize both the significant demand for and impact of such investments. Given program complexities, the ability for these programs to be deployed with leveraged resources from other public, private, and philanthropic resources, and capacity limitations which were echoed through public engagement, OHCS has identified that the program will best be supported within a third-party Community Development Financial Institution (CDFI). While the initial program investment is being used to launch this effort, additional resources would allow the program to be brought to scale and leverage additional capital.

Homeownership Division

Feedback provided to the Homeownership Division included continued investment in down payment assistance, increased funding for housing counselors, and continued concern around the FLEX lending program. The feedback gathered was incorporated in the following ways.

Supporting Owners of Manufactured Homes (POP 108)

These resources will support manufactured homeowners in replacing older homes with newer, safer, and more energy-efficient models with decommissioning grants and purchase loans. Based on concerns about the rising costs associated with the replacement and set-up of manufactured homes, the agency increased the maximum loan amounts for single- and doublewide manufactured homes.

Building Starter Homes (POP 109)

OHCS is seeking to expand resources to build new affordable homes. Based on feedback, the agency shifted the funding mechanism from an "evergreen loan fund" to a more flexible structure that offers grants and loans. This includes the ability to pair the funds with LIFT Homeownership. The POP language was also adjusted to address the need for developers to build capacity to meet demand. There was also feedback suggesting we increase this funding amount, but after much discussion with partners and other agencies and reviewing state economic and revenue conditions, the General Fund request was not increased.

Maintaining Homeownership (POP 113)

OHCS is currently running the Homeowner Assistance Fund, which is a federal program that helps Oregon homeowners avoid foreclosure. This resource is temporary and will not meet all the needs across the state. OHCS is requesting funding to create a state-funded program that can not only fill some of that gap but also keep the program infrastructure, so resources can be delivered more quickly when allocated by the federal government in the future. This package includes additional funding for foreclosure avoidance counseling under the Oregon Foreclosure Avoidance program. In response to stakeholder feedback, the agency added an option to include transition support services for homeowners who cannot afford to stay in their homes.

Homeownership Division

Supporting Homebuyers (POP 116)

OHCS is seeking additional funding to support our mortgage lending products, Oregon Residential Bond Loan Program, and the Flex Lending Program. The agency remains acutely aware that DPA will be a critical component of Flex Lending, given the current volatile nature of the mortgage market. In response to stakeholder feedback, changes were made to allow Down Payment Assistance (DPA) sources to be "layered" or combined with other down payment assistance, deepening the impact.

Housing Stabilization Division

Through engagement, we heard consistent feedback on the need to address the housing continuum by creating a "comprehensive approach" that involves more long-term funding, as well as the need for funding shelter services, eviction prevention, and the Individual Development Account (IDA) program. The Housing Stabilization Division incorporated this input in the following ways.

Shelter for Oregonians (POP 106) and Keeping Oregonians in their Homes (POP 110)

OHCS seeks ongoing funding to stand up programs that will effectively serve people experiencing homelessness. Language was added to POP 110 that clarifies the importance of ongoing funding to build a system that will keep Oregonians housed, and these requests are for the current service level (meaning they would be built into the OHCS budget moving forward). OHCS also seeks to provide ongoing operational funds for effective interventions like Navigation Centers and Project Turnkey, specifically called out as needing longer-term funding to ensure ongoing services can continue.

Housing for Youth & Families (POP 115)

Ending youth homelessness was cited as a priority in the feedback OHCS received, and the agency is seeking ongoing funding to develop a low-barrier program that meets this need. OHCS received invaluable feedback from the Housing Stability Council on the development of the initial pilot program that we will now be able to be incorporated into the deployment of additional funds allocated to the agency to expand the program.

Investing in Oregonians' Futures (POP 117)

The price of homes, the cost of running a small business, and education costs have increased across the state, and assistance programs are not keeping pace with the inflated costs. As such, OHCS seeks funds that can provide increased match amounts to help address this, in addition to funding that would support further expansion and increased capacity of Individual Development Account (IDA) Initiative partners. OHCS received significant feedback from partners voicing their support for expanded funding for the IDA Initiative. This POP was developed in partnership with Neighborhood Partnerships, which administers the IDA Initiative. Ongoing and alternative sources for funding were uplifted as a key piece of feedback, however, due to the current tax credit funding structure, OHCS did not see a viable pathway toward adding an additional ongoing funding source, per feedback from the Legislative Fiscal Office and DAS Chief Financial Office.

Disaster Recovery and Resilience Division

This division's Policy Option Package (POP) was aligned with the Action Plan for Community Development Block Grant – Disaster Recovery. Feedback from the survey was provided to program staff but cannot be integrated solely into the POP as it would require an Action Plan amendment.